

Subject: This week from CCA (CCA Delivers - October 20, 2016
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CCA Delivers

CCALA.org

October 20, 2016

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Housing, Land Use & Development Committee

At the Housing, Land Use & Development Committee this week, members heard from SunCal about its 6AM project and from the Department of City Planning regarding the proposed Affordable Housing Linkage Fee.

SunCal presented their development plans for a 15-acre site located at 6th and Alameda Streets in the Arts District. The project, named 6AM, calls for 1,736 residential units, two towers with hotels, shops, creative offices and a school, as well as 23,000 additional square feet for art and two parks. This bold and innovative development will be designed by architectural firm Herzog & de Mueron. The multi-phase project is inspired by the horizontal plane of Los Angeles and utilizes a 40-foot table as the base. This design promotes flexibility in uses and allows for all of the project's parking to be underground. 6 AM is mindful of the scale of the Arts District and places the 58-story towers on Alameda. The development is estimated to be a \$2 billion investment and is currently seeking entitlements from the City. SunCal will return to CCA to further discuss 6AM and its role in shaping the future of Downtown. The project was well-received by CCA members.

City Planning also presented the Linkage Fee ordinance and nexus study. BAE Economics prepared the nexus study to establish the relationship between new development and the demand for affordable housing. The Linkage Fee is subject to the California Mitigation Fee Act. The proposed Linkage Fee cannot be used to address existing deficiencies. As proposed, the fee at \$5 per square foot for non-residential uses is estimated to generate \$10 million annually and the fee at \$12 per SF for residential uses is estimated to generate \$80-120 million annually for the Affordable Housing Trust Fund. CCA members shared their ideas regarding the proposed fee and the current housing crisis and asked the City to embrace the construction of new housing. CCA will continue to engage in this important policy

EVENTS CALENDAR

THURSDAY, OCTOBER 20
6 p.m. - 9 p.m.

L.A. FASHION DISTRICT PRESENTS:
AN URBAN DINNER PARTY
8th and Santee Street scul-de-sac

FRIDAY, OCTOBER 28
7:30 a.m. - 2:30 p.m.

MAYORAL HOUSING,
TRANSPORTATION & JOBS SUMMIT
UCLA Anderson School of Management

WEDNESDAY, NOVEMBER 9
11 a.m. - 1:30 p.m.

PROPRIETARY DEPARTMENTS
PANEL & SHOWCASE
DoubleTree by Hilton Los Angeles
Downtown

TUESDAY, DECEMBER 6
5:30 - 8 p.m.

CCA HOLIDAY PARTY
The Majestic Downtown

COMMITTEE CALENDAR

THURSDAY, NOVEMBER 10
8:00 - 9:30 a.m.

TRANSPORTATION,
INFRASTRUCTURE & ENERGY

Topics: City and County Water
Resilience Plans; City Energy & Water
Efficiency Requirements

Special Guests: Leslie Freidman-
Johnson, CNRG, Liz Crosson and
Hilary Firestone, Office of Mayor Eric

discussion.

CCA thanks **Dan Rosenfeld**, SunCal, and **Ken Bernstein** and **Matt Glesne**, City Planning, for their remarks.

Economic Impact Report on Build Better LA (Measure JJJ)

The Coalition for Jobs and Attainable Housing released an [Economic Impact report](#) today, authored by economist Chris Thornberg of Beacon Economics. The report paints a vivid picture of how Measure JJJ will make Los Angeles's already crisis-level housing costs even more expensive.

Some of the many critical findings in the Report include:

On housing costs - "Measure JJJ's potential to drastically reduce residential construction would further accelerate increases in home prices and rents in Los Angeles. To the extent projects are able to move forward incorporating these substantial costs they will inevitably be passed along to residents of Los Angeles who already bear too high a cost for housing."

On the impact of new labor regulations - "New residential development will be required to pay premium over-market wages for construction workers performing project work. Based on Beacon Economics' estimations, we found that prevailing wages are almost double the market rate wages across job classifications and will drive up total project costs 46%. This is an unprecedented requirement being imposed on privately-funded residential development."

On the hidden taxes in measure JJJ on residential projects - "Recent research has shown this type of zoning in California led to a 20% increase in housing costs and reduced residential production by 7%."

On the cost increases created by Measure JJJ - "As the cost of construction increases, the projects will become infeasible and unable to receive construction financing. If adopted, Measure JJJ will have the effect of stifling a valuable subset of residential construction, and make an already dire housing situation much worse."

For more information, please contact CCA's Director of Government Relations, [John Howland](#).

November 8 Election Recommendations

Election Day is two and a half weeks away. There are a number of measures on

Garcetti

CCA IN ACTION



This week CCA attended a public hearing hosted by the City Planning Department regarding the Affordable Housing Linkage Fee ordinance. CCA provided testimony at the hearing and asked for modifications to the proposed ordinance. As currently drafted, the ordinance would charge \$5 per square foot (SF) for non-residential uses and \$12 per SF for residential uses. Residential projects that include a percentage of affordable housing will be exempt from the fee. CCA advocated for the fee to be the same for residential and non-residential development, a lower fee, a slower phase-in of the fee and a recognition within the ordinance that Downtown is different from other parts of the City. We also pushed for a broader range of affordability to include workforce housing and called on the City to complete existing planning incentive initiatives such as updating the local CEQA Threshold Guidelines.

To read CCA's comment letter, [please click here](#). CCA will continue to push for changes to the ordinance that will mitigate potential impacts to new development.

For more information, please contact CCA's Managing Director of Legislative Affairs and Government Relations, [Marie Rumsey](#).

CCA MEMBERS IN THE NEWS

"People thought I had lost my mind. I might have lost my mind, but I found my balls." Cedd Moses, 213 Ventures, said of his early years operating in Downtown. [Men's Journal](#), Oct. 20, 2016. "[Downtown L.A.: How A Cocktail Renaissance Revitalized the Former Industrial Wasteland](#)"

the ballot that will have significant impacts on the city, county and state. As you prepare your ballots, CCA presents the following recommendations:

CCA SUPPORTS:

- Countywide - Measure M: Metro's Plan to Ease Traffic
- Citywide - Proposition HHH: Homelessness Reduction and Prevention, Housing, and Facilities Bond
- Citywide - Charter Amendment 1: City of Los Angeles Department of Water and Power (DWP)
- Statewide - Proposition 51: School Bonds- Funding for K-12 School and Community College Facilities
- Statewide - Proposition 67: Referendum to Overturn Ban on Single-Use Plastic Bags

CCA OPPOSES:

- Citywide - Measure JJJ: Affordable Housing and Labor Standards Related to City Planning (aka Build Better L.A.)
- Statewide - Proposition 53: Revenue Bonds and Statewide Voter Approval
- Statewide - Proposition 57: Criminal Sentences
- Statewide - Proposition 65: Carry-Out Bags

For details about these measures and CCA's positions, [please click here](#).



NEW MEMBERS

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